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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 9, 2000

APPLICATION OF

UNITED ENERGY, INC. CASE NO. PUE000482 d/b/a UNITED ENERGY OF VIRGINIA, INC.

For a license to conduct business as a competitive service provider in natural gas retail access pilot programs

ORDER GRANTING LICENSE

On September 26, 2000, United Energy, Inc. d/b/a United Energy of Virginia, Inc. ("United Energy" or "Applicant"), filed an application for licensure to conduct business as a competitive service provider in natural gas retail access pilot programs, as provided by the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-50. The Applicant intends to serve eligible customers in all customer classes in the natural gas retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

On October 6, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of United Energy's application and

present its findings in a Staff Report to be filed on or before November 1, 2000.

The Applicant filed proof of publication of its notice on October 31, 2000. No comments from the public on United Energy's application were received.

The Staff filed its Report on November 1, 2000, concerning United Energy's fitness to provide competitive electric and natural gas service. The Staff concluded that United Energy meets the technical fitness requirements for licensure. Staff also discussed United Energy's request for a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules, which requires an applicant to file an audited balance sheet and income statement for the most recent fiscal year, as well as published financial information, if available. In lieu of filing the required documents, United Energy filed financial statements of its parent company, United Propane, Inc. ("United Propane"). It also filed United Propane's credit report issued by Dun & Bradstreet. The Staff recommended that the waiver be granted as requested and stated that the alternate financial information filed by the Applicant, together with its experience as a supplier in CGV's pilot program, serve as sufficient evidence of financial responsibility. As such, the Staff recommended that a license be granted to United Energy for the provision of natural gas

service to all eligible classes of customers in the WGL and CGV pilot programs.

United Energy did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff
Report, and the applicable law, the Commission finds that United
Energy's application to provide natural gas service should be
granted. We will also grant the waiver of our requiring audited
financial statements. Accordingly,

IT IS ORDERED THAT:

- (1) As provided by the Interim Rules, 20 VAC 5-311-60 A, United is granted a waiver of 20 VAC 5-311-50 A 12 a and the submitted financial information is accepted in lieu of audited financial statements.
- (2) United Energy, Inc. d/b/a United Energy of Virginia,
 Inc., hereby is granted license No. PG-10 to provide competitive
 natural gas supply service to all classes of eligible customers
 in conjunction with the retail access pilot programs of WGL and
 CGV. This license to act as a competitive service provider is
 granted subject to the provisions of the Interim Rules, this
 Order, and other applicable statutes.
- (3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the

provision of any product or service not identified within the license itself.

- (4) Failure of United Energy to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.
- (5) This case shall remain open for consideration of any subsequent amendments or modifications to this license.